

Utah Associated Municipal Power Systems

Comments on

DOE/ Western Joint Outreach Team: Defining the Future

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JOT@WAPA.gov

Utah Associated Municipal Power Systems (UAMPS) appreciates the opportunity to provide our comments on the memo dated March 16, 2012 and the subsequent DOE and Western Area Power Administration's (WAPA) "Defining the Future" workshops and listening sessions.

UAMPS serves as the single purchasing entity for 30 member cities and water conservancy districts that purchase power generated from the Salt Lake City Integrated Project, commonly referred to as CRSP power marketed by the WAPA. CRSP power is generated from main stem dams and participating projects for water development in the Upper Colorado River Basin. CRSP power resources are a significant portion of our members' power resource mix. Additionally, a portion of our resource mix is met with wind power generation from the states of Idaho and Wyoming. UAMPS members serve approximately 153,500 customers in cities located primarily in the State of Utah.

UAMPS has established an energy efficiency program called SmartEnergy and has encouraged our members to participate in that program. Energy efficiency programs include lighting, energy efficient appliances and other efficiency incentives. The program costs money - but the understanding that energy efficiency programs will save money in the long run by avoiding need to purchase or build capacity. This energy efficient effort is intended to defer new fossil fueled power generation.

UAMPS along with other WAPA customers have been active in actions to improve the necessary operation, maintenance, modernization, and efficiency improvement to the WAPA facilities. Parties meet on a regular basis to carefully determine the priority of needed facilities and the cooperation between the parties is effective for the economical delivery of the CRSP resource. WAPA has demonstrated a prominent leadership role in coordinating this effort with its customers. Customer coordination with WAPA and the Bureau of Reclamation provides an organized and sound effort to ensure the CRSP system is proficient in the delivery of member's power allocation over a reliable transmission system. We disagree with the assertions and implications that WAPA's transmission is old, antiquated and substandard. We also disagree with many statements represented in the workshops that significant improvements are needed within the WAPA system.

We are very concerned with the many directives contained in the March 16 Memo. The memo demonstrated an overall top-down approach that expands and redirects WAPA's mission and authorities beyond those authorized by Congress. Any changes in WAPA's authorities should originate as a grass roots effort driven by WAPA's customers in reaction to real world needs. These needs should then be agreed to by the DOE and subsequently authorized by Congress. Centralized, top-down directives as

specified in the March 16 Memo are non-functional and costly to those users currently utilizing the WAPA/CRSP transmission system. If enacted, the recommendations of the March 16 Memo will increase costs to UAMPS member's customers.

We believe the entire basis for the March 16 Memo is misleading by attempting to create a perceived crisis. An attempt is made to justify the widespread change to the role of PMAs due to system outages in the recent past as well as a very broad reference to aging infrastructure and reliability concerns. The outage that affected the Southwest United States in September 2011 was caused by a switching error in the field and relay coordination issues. The most recent outage that affected the Washington DC area was caused by a weather event. Neither of these referred to events were the result of aging infrastructure or overall system reliability concerns. If the directives of the March 16 Memo were in place at the time of these two mentioned outages, the outages would still have occurred. Using these outages as justification for implementation of the directives is dishonest and inappropriate.

We wish to emphasize our concern with the March 16 Memo and the WAPA "Defining the Future Initiative". UAMPS believes the proposal is outside of existing Congressional authority and will increase the costs of power to our members and their consumers. We support the current role of WAPA and the other PMAs with their focus on keeping rates as economic as possible through their collaborative efforts with customers. We believe WAPA has done a great job in balancing the needs of their customers while providing the future needs of their power operating system. Should DOE/Western feel the need for follow-up actions, we urge that there be a delineation of clear and concise steps, timeframes, publication schedules, comment periods and objectives associated with this process.

Thank you for your consideration of these comments.

Respectfully Submitted

Utah Associated Municipal Power Systems

Ted Rampton
Manager of Government Affairs and
Technical Services
ted@UAMPS.com
801-566-3938

Cc: UAMPS CRSP Project Committee